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CIA Snafu in Singapore

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Viewed as Caper Not Worth Chips

WASHINGTON — The five-year old Singapore spy case now used by Prime Minister Lee Kuan Yew to belittle Washington's reputation in Asia is generally regarded in the government here as a CIA blunder in a game that wasn't worth the candle.

High officials are trying to hush up the whole affair as rapidly as possible hoping thereby to reduce the damage. The charges made by the Singapore government chief three days ago, however, seem certain to echo through Asian capitals for a long time, feeding the conviction already held by some once-friendly, now critical leaders, that the United States through its intelligence agency meddles dangerously in their affairs.

Efforts to soften the blow have been set back, furthermore, by the government's own handling of the incident, once Prime Minister Lee had discussed its occurrence, coupling it with a charge that he had been offered a bribe of \$3 million to keep the whole thing quiet.

Reversal by U.S.

On Tuesday the State Department, after checking with CIA, issued a denial which Lee angrily countered by releasing Wednesday a letter of apology from Secretary of State Dean Rusk. The State Department then acknowledged the substantial accuracy of Lee's allegations in a red-faced statement reversing the denial and admitting the Rusk letter.

As a result of all this there are new expressions of interest in Congress about having the intelligence agency put under some kind of congressional watchdog committee. Oddly enough, it is now learned, the original incident caused a movement inside the Kennedy administration during its first months in office to tighten White House and State Department supervision over CIA operations in the intelligence field.

What struck responsible officials at the time, according to authoritative information, was that the incident which upset Lee—and which obviously stuck in his mind over the years—was a questionable undertaking to begin with. Responsible accounts of the affair indicate:

The operation was developed by the CIA group operating at Bangkok, Thailand. So far as can now

be determined, it was not checked out with State Department or other non-CIA officials. CIA representatives went from Thailand to Singapore and undertook to buy information from intelligence officials in the Singapore government. That government was generally friendly to the United States and such an operation therefore involved a risk, if detected, of embarrassing officials of a friendly administration.

CIA Won't Comment

The CIA has refused all comment on these charges and any discussion of the case and its own records or recollections of the operation are therefore not clear to outsiders. Elsewhere in Washington the understanding was that the agents from Bangkok were primarily interested in obtaining intelligence reports to check upon information which Singapore authorities and the British were furnishing to the United States officially anyway. The CIA men were said to be particularly interested in Red Chinese labor activities.

Lee has asserted that a CIA man was caught red-handed trying to buy the information from a Singapore official. Actually it is understood that at least two American intelligence agents were initially seized by Singapore police. One was released immediately. The other was held a matter of a few months, according to the best available information.

Washington's official concern in dealing with this secret crisis at the time was first to get its agent out of jail and second to prevent the incident from becoming an anti-U.S. publicity bombshell.

In the end the British with their close ties with the Singapore administration at that time are reported to have saved the day for the United States by persuading Lee to drop his threats to make the full affair public.

Blow to Prestige

U.S. officials feared that if it did become public it would seriously damage this country's efforts to build friendly relations with not only Singapore and Malaysia but also other countries in the area.

Apparently the argument which was most effective with Lee was that it was not in his interest to start out on the wrong foot with the administration of President John F. Kennedy.

The original incident occurred

at the end of the Eisenhower administration. It was settled at the outset of the Kennedy administration. An aide of Prime Minister Lee said Wednesday in Singapore that the \$3 million bribe offer alleged by Lee had been made in January 1961 before the Kennedy administration took office. He said Kennedy ruled that no money would be given "under the counter."

This accords with the recollection of knowledgeable officials here who, knowing primarily the record of the Kennedy administration, say they cannot recall any evidence a bribe was offered Lee.

Rusk in his letter of apology told Lee that the Kennedy administration took a very serious view of the whole affair an "is reviewing activities of these officials for disciplinary action." The letter was apparently a key element of the arrangement made to settle the affair with Lee, avoid disclosure at the time and spring the CIA man from jail.

There has been no official comment on what happened about "disciplinary action" but privately authorities indicate no action was taken against the CIA men involved—except they were all transferred from Bangkok. The CIA view of the matter was reportedly that the danger of detection and arrest are part of the normal risk of cloak-and-dagger operations.

Lee's decision to keep silent five years ago is believed here to have been reversed this week not because he had any new complaints against the CIA but because he is trying to move away from such U.S. ties as he has had toward closer relations with Indonesia, Red China and Russia.

At the same time Lee has indicated a determination to maintain Singapore's close association with Britain in the defense field though he has ruled out any use of bases there by U.S. forces.

One of the lasting effects of the Lee charges against the United States is likely to be their contribution to the long list of complaints registered by Asian leaders against the CIA. Prince Norodon Sihanouk, Cambodian chief of state, once friendly and now hostile to the United States, has accused the CIA, for example, of

against him in an effort to break his power.

Indonesian President Sukarno has charged that the intelligence agency assisted an unsuccessful rebellion against the Indonesian government in Sumatra in 1958. The Central Intelligence Agency in the 1950s supported Chinese Nationalist troops based in northern Burma, an action which created anger and resentment in Burmese governments.

Wide currency given to such charges and the CIA's policy of silence on its operations has led over the years to the popular assumption that most of them, possibly all of them, are more or less true. To the extent that they are true they may or may not be in exact accord with U.S. policy in the area.

Only two years ago there were complaints in Congress that the CIA, the State Department, and the Defense Department were working at cross purposes in the anti-Communist struggle in South Viet Nam. The CIA financed weapons and extra pay of an elite special forces group under President Ngo Dinh Diem's brother Ngo Dinh Nhu. Nhu used these elite troops as a personal force.

The CIA was thus closely identified with support of the Diem family and its office in Saigon was severely shaken up, its leader there transferred, as a result of such disclosures.

Those who defend the CIA say that its operations are subject to continuous scrutiny by the White House and to checking and clearance with such key officials as President Johnson, Secretary Rusk and Secretary of Defense Robert S. McNamara.

CIA critics within the government say that during the past four years the power of each U.S. ambassador in a foreign capital over all the Americans serving there has been greatly strengthened and that includes power over the CIA.

In addition these informants say CIA operations are carefully coordinated in Washington with other actions of the government.

Some small responsibility for this goes to the Singapore incident though undoubtedly a great deal more goes to the late President Kennedy's experience in the Cuban affair and to the sensational U2 incident in 1960, which wrecked the East-West summit conference in Paris.

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